

**TECHNOLOGY PROBLEMS AND ISSUES  
ENCOUNTERED BY THE SRI LANKAN TEA SMALL  
HOLDING SECTOR, A CASE STUDY BASED ON  
SOUTHERN SRI LANKA**

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10/9011

Degree of Master of Business Administration

Department of Management of Technology

University of Moratuwa

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Dissertation Submitted in partial fulfilment of the requirement for the degree of  
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January 2012

## DECLARATION

“I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or Institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in text.

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## ABSTRACT

The main purpose of this study is to identify technology related problems and issues in the Sri Lankan small holding tea sector and recommend policies and strategies to overcome these problems and issues to push this industry to its next level of growth. This study was carried out through a situational analysis based on interviews with experts in the industry and selected planters followed by a questionnaire survey with some selected tea small holders. The situational analysis of small holding sector shows that usage of modern technology is very limited due to farmers' perception on new technology as well as limited awareness and non-availability of proper extension services. This study covers only tea small holding sector of Southern Province therefore the generalisation of findings in respect to technological management aspect for other agricultural sectors may have some limitations. The main recommended policies are implementation of subsidiary scheme for new technology adaptation and advancement, intensive extension services for technology transfer for more practical manner, more mechanization to address labour issues prevailing in the small holding sector. Tea sector is one of the leading sectors contributing to Sri Lankan economy through generation of net foreign exchange. In tea sector, small holding sector accounts for more than 70 per cent of total tea exports. In addition, the absorption of considerable portion of labour force through generation of employment also makes a huge social contribution to the rural economy. By introducing new methods and technology, productivity will improve in tea sector that generate more income to small holder and finally contribute to the development of Sri Lankan economy.

**Key words:** Tea small holding, Technology management, Productivity, Extension services, Sri Lanka.

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## LIST OF ABBREVIATIONS

Abbreviation	Description
BLF	Bought Leaf Factory
COP	Cost of Production
FTSHS	Federation of Tea Small Holders Society
GDP	Gross Domestic Product
GNP	Gross National Product
IRR	Internal Rate of Return
JEDB	Janatha Estate Development Board
NIPM	National Institute of Plantation Management
PA	Plantation Association
PTFOA	Private Tea Factory Owners Association
R & D	Research and Development
RPC	Regional Plantation Companies
SALT	Sloping Agricultural Land Technology
SHTC	Small Holding Tea Cultivation
SLSPC	Sri Lanka State Plantation Cooperation
SLTB	Sri Lanka Tea Board
SPSS	Statistical Package for Social Science
TASL	Tea Association of Sri Lanka
TRI	Tea Research Institute
TSHDA	Tea Small Holding Development Authority
TSTH	TRI Selective Tea Harvester
VP	Vegitatively Propagated

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